MEMO

DATE: March 3, 2005

TO: The Regional Council

The Community Economic and Human Development Committee

The Energy and Environment Committee

The Transportation and Communications Committee (TCC)

FROM: Charlotte Pienkos, Government Affairs Analyst

Phone: (213) 236-1811 E-Mail: pienkos@scag.ca.gov

SUBJECT: State and Federal Legislative Matrix

Since the February 3rd meetings of the Regional Council and the policy committees, bill introduction in Sacramento has proceed at the slower, more circumspect pace not unusual in the first year of a two-year session. As of this writing on February 10th, SCAG is monitoring just 37 newly introduced state bills. The pace of bill introduction will hasten prior to the February 18th deadline. On the horizon, Spring Recess begins on March 17th. The Legislature will reconvene on March 29th.

On the federal level, the Public-Private Transportation Infrastructure Reinvestment Act of 2005 was proposed in Congress by Representative Sam Graves (R-6th) of Missouri (no number has been assigned at this writing). The proponents of the measure believe viable transportation infrastructure projects are waiting for money at the same time private sources of money are looking for investment opportunities. Matching private funds to public projects, however, is not simple.

Public authorities wishing to work with private investors face barriers. Current law and practice in public transportation programs create an institutional bias against private participation. For example, current rules on intermingling public and private funds exercise a serious restraint on efforts by public authorities to finance much-needed public transportation projects with innovative financing.

As more information on Congressman Graves' bill becomes available, Government Affairs will bring it forward for consideration.

In other federal legislation, the Water Policy Task Force considered at its February 10th meeting HR 18 (Baca), the Southern California Groundwater Remediation Act. HR 18 makes grants available for groundwater clean up and other activities within the Santa Ana River basin. The EEC will consider HR 18 at its meeting.

CP#107688



01101000E

Private file: AirQuality

CA AB 17

AUTHOR:

Koretz (D)

TITLE:

Coastal Resources: Beaches: Prohibiting Smoking

FISCAL COMMITTEE: URGENCY CLAUSE:

no

COMMITTEE:

Assembly Natural Resources Committee

HEARING:

02/28/2005 1:30 pm

CODE SECTION:

An act to add Section 516 to the Public Resources Code, relating to coastal resources. **SUMMARY:**

Makes it an infraction for a person to smoke a pipe, cigar, or cigarette on a state coastal beach. Permits the state to develop and post signs at a state coastal beach to provide notice of the smoking prohibition.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

AB 17, as introduced, Koretz. Coastal resources: beaches: prohibiting smoking.

Existing law makes it an infraction for a person to smoke a cigarette, cigar, or other tobaccorelated product within 25 feet of a playground or tot lot sandbox area.

This bill would make it an infraction for a person to smoke, as defined, a pipe, cigar, or cigarette on a state coastal beach, as defined. The bill would establish a state-mandated local program by creating a new crime.

This bill would permit the state to develop and post signs at a state coastal beach to provide notice of the smoking prohibition, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes. STATUS:

12/06/2004

INTRODUCED.

01/06/2005

To ASSEMBLY Committees on NATURAL RESOURCES and

GOVERNMENTAL ORGANIZATION.

Subject:

AirQuality

CA AB 32

AUTHOR:

Pavley (D)

COAUTHOR(S):

Chan (D), Laird (D), Simitian (D)

TITLE:

Greenhouse Gas Emissions: California Climate Registry

FISCAL COMMITTEE: URGENCY CLAUSE:

yes no

COMMITTEE:

Assembly Natural Resources Committee

HEARING:

02/28/2005 1:30 pm

CODE SECTION:

An act to amend Sections 42801 and 42823 of the Health and Safety Code, relating to air pollution.

SUMMARY:

Revises the functions and duties of the California Climate Action Registry. Requires the registry, in coordination with the California Environmental Protection Agency and the State Energy Resources Conservation and Development Commission, to adopt specified procedures and protocols both for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emission reduction projects, and for monitoring emissions resulting from specified industrial sectors.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

AB 32, as introduced, Pavley. Greenhouse Gas Emissions: California Climate Action Registry.

Existing law requires the Secretary of the Resources Agency to establish the California Climate

Action Registry (hereafter registry) as a public benefit nonprofit corporation, and makes legislative findings and declarations relating to the registry. Existing law requires the registry to perform various functions, including, among other things, the adoption of procedures and protocols for the reporting and certification of greenhouse gas emission reductions resulting from a project or an action of a participant in the registry.

This bill would revise the functions and duties of the registry by requiring the registry, in coordination with the California Environmental Protection Agency and the State Energy Resources Conservation and Development Commission, to adopt specified procedures and protocols both for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emission reduction projects, and for monitoring, estimating, calculating, reporting, and certifying greenhouse gas emissions resulting from specified industrial sectors, as provided. This bill would require the registry to coordinate with state agencies to promote the development of harmonized reporting standards, as specified, and would require the registry, to the extent possible, to coordinate with other states and regions to ensure that businesses and organizations operating both in this state and out of state follow uniform protocols when reporting to multiple registries, states, or regions.

This bill would also make additional legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

STATUS:

12/06/2004 INTRODUCED.

01/27/2005 To ASSEMBLY Committee on NATURAL RESOURCES.

Subject: AirQuality

CA AB 184

AUTHOR: Cogdill (R)

TITLE: Air Quality: Gross Polluting Vehicles

LOCATION: ASSEMBLY

CODE SECTION:

An act relating to air pollution.

SUMMARY:

Expresses the intent of the Legislature to establish a pilot program to improve air quality by removing gross polluting vehicles from the roadways. **DIGEST:**

LEGISLATIVE COUNSEL'S DIGEST

AB 184, as introduced, Cogdill. Air quality: gross polluting vehicles.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular services. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution, and air pollution control districts and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources.

This bill would express the intent of the Legislature to establish a pilot program to improve air quality by removing gross polluting vehicles from the roadways, as provided.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

STATUS:

01/24/2005 INTRODUCED.

Subject: AirQuality, Environment

CA SB 44

AUTHOR: Kehoe (D)

TITLE: General Plans: Air Quality Element

FISCAL COMMITTEE: yes URGENCY CLAUSE: no

LOCATION: Senate Local Government Committee

CODE SECTION:

An act to amend Section 65302.1 of the Government Code, relating to general plans. **SUMMARY:**

Requires the legislative body of each city and county, other than those in the San Joaquin Valley Air Pollution Control District, to amend the appropriate elements of its general plan to include data and analysis, comprehensive goals, policies, and feasible implementation strategies to

improve air quality no later than one year from the date specified for the next revision of its housing elements.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

SB 44, as introduced, Kehoe. General plans: air quality element.

Existing law requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and of any land outside its boundaries that bears relation to its planning. The law requires the plan to include a specified land use element that designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, open space, and other categories of public and private uses of land. Existing law specifically requires the legislative body of each city and county within the jurisdictional boundaries of the San Joaquin Valley Air Pollution Control District to amend appropriate elements of its general plan to include specified information to improve air quality.

This bill would make legislative findings and declarations regarding air pollution problems in this state. The bill additionally would require the legislative body of each city and county, other than those in the San Joaquin Valley Air Pollution Control District, to amend the appropriate elements of its general plan to include data and analysis, comprehensive goals, policies, and feasible implementation strategies to improve air quality no later than one year from the date specified for the next revision of its housing element.

The bill would also require each city and county, at least 45 days prior to the adoption of air quality amendments to a general plan, to send a copy of the draft document to the air quality management district or air pollution control district in which it is located for review and comment, as specified. By increasing the duties of local public officials, this bill would impose a statemandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

STATUS:

01/04/2005

INTRODUCED.

01/27/2005

To SENATE Committee on LOCAL GOVERNMENT.

Subject:

AirQuality, LandUse

CA SB 109

AUTHOR:

Ortiz (D)

SENATE

TITLE:

Air Pollution: Minor Violations: Stationary Sources

LOCATION:

CODE SECTION:

An act to amend Section 39153 of, and to repeal Section 42400.7 of, the Health and Safety Code, relating to air pollution.

SUMMARY:

Extends, until January 1, 2012, the requirement that the State Air Resources Board and each air pollution control district adopt a regulation or a rule that classifies certain violations as minor. Repeals the provision precluding criminal prosecution following the recovery of civil penalties for the same offense, and repeals the requirement that a civil action be dismissed upon the filing of a criminal complaint for the same offense. **DIGEST:**

LEGISLATIVE COUNSEL'S DIGEST

SB 109, as introduced, Ortiz. Air pollution: minor violations: stationary sources: prosecution of violations. (1) Existing law designates air pollution control districts and air quality management districts as having the primary responsibility for the control of air pollution from all sources other than vehicular sources, subject to the powers and duties of the State Air Resources Board. Existing law subjects any person that violates any rule, regulation, permit, or order of the state board or a district pertaining to emissions of air contaminants or toxic air contaminants to fines, imprisonment, and civil penalties. Existing law, until January 1, 2006, requires the state board and each district to adopt a regulation or a rule that classifies certain violations as minor. Existing

law provides that the recovery of a civil penalty for an air quality violation precludes criminal prosecution. Existing law also provides that the filing of a criminal complaint requires the dismissal of any civil action for the same offense, but exempts from that requirement any portion of a civil action requesting injunctive relief.

This bill would extend that minor violation classification requirement until January 1, 2012. The bill would repeal the provision precluding criminal prosecution following the recovery of civil penalties for the same offense, and would repeal the requirement that a civil action be dismissed upon the filing of a criminal complaint for the same offense. To the extent that this bill would increase the number of criminal or civil cases that would be prosecuted, it would impose a statemandated local program.

(2)

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

STATUS:

01/20/2005

INTRODUCED.

Subject:

AirQuality, Environment

Private file: Energy

CA AB 200

AUTHOR:

Leslie (R)

TITLE:

Renewable Energy Resources: Portfolio Standard Program

FISCAL COMMITTEE:

URGENCY CLAUSE:

LOCATION:

Assembly Utilities and Commerce Committee

CODE SECTION:

An act to add Section 399.17 to the Public Utilities Code, relating to renewable energy resources.

SUMMARY:

Relates to the California Renewables Portfolio Standard Program. Adopts certain modifications to the renewables portfolio standard program that are applicable only to an electrical corporation with 60,000 or fewer customer accounts in the state that serves retail end-use customers outside California.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

AB 200, as introduced, Leslie. Renewable energy resources: California Renewables Portfolio Standard Program.

The Public Utilities Act imposes various duties and responsibilities on the Public Utilities Commission with respect to the purchase of electricity and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. The program requires that a retail seller of electricity, including electrical corporations, community choice aggregators, and electric service providers, but not including local publicly owned electric utilities, purchase a specified minimum percentage of electricity generated by eligible renewable energy resources, as defined, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year (renewables portfolio standard). The renewables portfolio standard requires each electrical corporation to increase its total procurement of eligible renewable energy resources by at least an additional 1% of retail sales per year so that 20% of its retail sales are procured from eligible renewable energy resources no later than December 31, 2017.

This bill would adopt certain modifications to the renewables portfolio standard program that are applicable only to an electrical corporation with 60,000 or fewer customer accounts in (10.09)

California that serves retail end-use customers outside California.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

STATUS:

01/31/2005

INTRODUCED.

02/07/2005

To ASSEMBLY Committees on UTILITIES AND COMMERCE and NATURAL

RESOURCES.

Subject:

Energy, Environment

CA SB 1

AUTHOR: COAUTHOR(S): Murray (D) Campbell (R)

TITLE:

Energy: Renewables Portfolio Standard Program

FISCAL COMMITTEE:

no

URGENCY CLAUSE:

LOCATION:

Senate Energy, Utilities and Communications Committee

CODE SECTION:

An act to amend Section 25744 of, and to add Sections 25407, 25744.4, and 25744.5 to, the Public Resources Code, and to amend Sections 399.6, 399.8, and 2827 of, and to add Section 379.8 to, the Public Utilities Code, relating to energy, and making an appropriation therefor. **SUMMARY:**

Establishes the Solar Homes Peak Energy Procurement Subaccount within the Emerging Renewable Resources Account to fund the Solar Homes Peak Energy Procurement Program. Requires the Energy Commission to award rebates. Authorizes the Commission to provide incentives, to support the installation of solar energy systems on existing and new residential construction. Requires that amounts collected to fund such alternative energy and research and development be set by the PUC.

DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as introduced, Murray. Energy: renewable energy resources: California Renewables Portfolio Standard Program.

(1) Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to expand and accelerate development of alternative sources of energy, including solar resources. Existing law requires the Energy Commission, until January 1, 2006, and to the extent that funds are appropriated for that purpose in the annual Budget Act, to implement a grant program to accomplish specified goals, including making solar energy systems cost competitive with alternate forms of energy.

The existing Public Utilities Act requires the Public Utilities Commission (PUC) to require Pacific Gas and Electric Company, San Diego Gas and Electric, and Southern California Edison to identify a separate electrical rate component to fund programs that enhance system reliability and provide in state benefits. This rate component is a nonbypassable element of local distribution and collected on the basis of usage. The funds are collected to support cost-effective energy efficiency and conservation activities, public interest research and development not adequately provided by competitive and regulated markets, and renewable energy resources. Existing PUC resolutions refer to the nonbypassable rate component as a "Public Goods Charge" (PGC). Existing law requires that the PGC not exceed, for any tariff schedule, the level that was in effect on January 1, 2000. Existing law requires that the PGC be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined. Existing law requires the Energy Commission to transfer funds collected by electrical corporations for in state operation and development of existing and new and emerging renewable resources technologies into the Renewable Resource Trust Fund, to fund specified programs.

Existing law requires that 17.5% of the money collected under the renewable energy public goods charge be used to fund the Emerging Renewable Resources Account within the Renewable Resource Trust Account, for the purpose of a multiyear, consumer-based program to foster the development of emerging renewable technologies in distributed generation applications.

This bill would establish the Solar Homes Peak Energy Procurement Subaccount within the Emerging Renewable Resources Account and would make the moneys therein available, upon appropriation by the Legislature, to fund the Solar Homes Peak Energy Procurement Program, which the bill would establish. The bill would require the Energy Commission to award rebates, and would authorize the Energy Commission to provide incentives, to support the installation of solar energy systems, as defined, on existing and new residential construction. The bill would

require that the amounts collected to fund energy efficiency, renewable energy, and research, development, and demonstration be set at the levels established by the PUC for 2005, and would require that any moneys collected above those 2005 levels during 2006 and 2007 be transferred to the Solar Homes Peak Energy Procurement Subaccount.

This bill would require that the PUC, on or before February 1, 2006, and in consultation with the Energy Commission, issue an order initiating an investigation and opening a ratemaking proceeding, or to expand the scope of an existing proceeding, to adopt and implement a program to invest in residential solar energy systems. The bill would require the PUC to complete its investigation and proceeding and adopt the program no later than January 1, 2008. The bill would require every local publicly owned electric utility, as defined, to establish a solar homes program consistent with the program adopted and implemented by the PUC, within a reasonable time after the PUC establishes any program for electrical corporations. Each local publicly owned electric utility would be required to report, on an annual basis, to its customers and to the Energy Commission, information relative to the utility's solar homes program and would authorize the Energy Commission to establish guidelines for the information to be included in the annual report.

(2) Under the Reliable Electric Service Investments Act, the Energy Commission was required to hold moneys collected for renewable energy and deposited in the Renewable Resource Trust Fund until further action by the Legislature. The act requires the Energy Commission to create an initial investment plan, in accordance with specified objectives, to govern the allocation of funds in the Renewable Resource Trust Fund collected between January 1, 2002, and January 1, 2007, in order to ensure a fully competitive and self sustaining California renewable energy supply. Existing law requires the Energy Commission, on or before March 31, 2006, to prepare an investment plan proposing the application of moneys collected between January 1, 2007, and January 1, 2012.

This bill would delete the requirement that moneys collected for renewable energy and deposited in the Renewal Resource Trust Fund be held until further action by the Legislature. The bill would require the Energy Commission, on or before March 31, 2006, to prepare a report, rather than an investment plan, describing the application of moneys collected between January 1, 2007, and January 1, 2012, and to describe the use of any funds applied toward program activities during the period January 1, 2002, through March 31, 2006.

(3) Existing law authorizes a local government to develop and administer a program to encourage the construction of buildings that use solar thermal and photovoltaic systems meeting certain standards and requires that any program recognize owners and builders who participate in the program by awarding these owners and builders a "Sunny Homes Seal."

This bill would require that beginning January 1, 2008, a seller of production homes, as defined, offer the option of a solar energy system, as defined, to all customers negotiating to purchase a new production home and to disclose certain information.

(4) Existing law requires every electric service provider, as defined, to develop a standard contract or tariff providing for net energy metering, and to make this contract available to eligible customer generators, upon request. Existing law requires every electric service provider, upon request, to make available to eligible customer generators contracts for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer generators exceeds 0.5% of the electric service provider's aggregate customer peak demand.

This bill would require that every electric service provider, upon request, make available to eligible customer generators contracts for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer generators exceeds 5% of the electric service provider's aggregate customer peak demand and would delete certain provisions of existing law relative to the annualized net metering calculation.

(5) Under existing law, a violation of the Public Utilities Act or an order or direction of the PUC is a crime.

Because various provisions of this bill are within the act and require action by the PUC to implement the bill's requirements, a violation of those provisions would be a crime thereby imposing a state-mandated local program by creating a new crime.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

STATUS:

12/06/2004 INTRODUCED.

01/27/2005 To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

Subject: Environment

CA SB 107 AUTHOR: Simitian (D)
COAUTHOR(S): Perata (D)

TITLE: Renewable Energy

LOCATION: SENATE

CODE SECTION:

An act to amend Sections 25740, 25743, and 25744 of, and to repeal Sections 25745 and 25749 of, the Public Resources Code, and to amend Sections 387, 399.11, 399.12, 399.13, 399.14, 399.15, and 399.16 of, to add Section 399.17 to, and to add Article 9 (commencing with Section 635) to Chapter 3 of Part 1 of Division 1 of, the Public Utilities Code, relating to energy. **SUMMARY:**

Revises and recasts language so that the amount of electricity generated per year from renewable energy resources is increased to an amount that equals at least 20% of the total electricity sold to retail customers per year by December 31, 2010. Requires the Energy Commission to establish a renewable energy credit trading program and to develop tracking, accounting, verification, and enforcement mechanisms for the program. **DIGEST:**

LEGISLATIVE COUNSEL'S DIGEST

SB 107, as introduced, Simitian. Renewable energy.

(1) Existing law expresses the intent of the Legislature, in establishing the Renewable Energy Resources Program, to increase the amount of renewable electricity generated per year, so that it equals at least 17% of the total electricity generated for consumption in California per year by 2006.

This bill would revise and recast that intent language so that the amount of electricity generated per year from renewable energy resources is increased to an amount that equals at least 20% of the total electricity sold to retail customers in California per year by December 31, 2010. The bill would make conforming changes related to this provision.

(2) The Public Utilities Act imposes various duties and responsibilities on the Public Utilities Commission (CPUC) with respect to the purchase of electricity and requires the CPUC to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. The program requires that a retail seller of electricity, including electrical corporations, community choice aggregators, and electric service providers, but not including local publicly owned electric utilities, purchase a specified minimum percentage of electricity generated by eligible renewable energy resources, as defined, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year (renewables portfolio standard). The renewables portfolio standard requires each electrical corporation to increase its total procurement of eligible renewable energy resources by at least an additional 1% of retail sales per year so that 20% of its retail sales are procured from eligible renewable energy resources no later than December 31, 2017.

This bill would instead require that each retail seller, as defined, increase its total procurement of eligible renewable energy resources by at least an additional 1% of retail sales per year so that 20% of its retail sales are procured from eligible renewable energy resources no later than December 31, 2010.

(3) Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to certify eligible renewable energy resources, to design and implement an accounting system to verify compliance with the renewables portfolio standard by retail sellers, and to allocate and award supplemental energy payments to cover above-market

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costs of renewable energy.

This bill would require the Energy Commission to establish a renewable energy credit, as defined, trading program and to develop tracking, accounting, verification, and enforcement mechanisms for the program. The bill would prohibit the Energy Commission from certifying or awarding tradeable renewable energy credits for electricity generated pursuant to any electricity purchase contract with a retail seller executed before January 1, 2005, that does not contain explicit terms and conditions specifying the ownership or disposition of those credits. The bill would prohibit the Energy Commission from certifying or awarding tradeable renewable energy credits for electricity generated pursuant to any purchase contract executed after January 1, 2005, pursuant to a prescribed federal act. The bill would provide for the tracking of deliveries under these purchase contracts through a prescribed accounting system. The bill would additionally require the Energy Commission to require any retail seller of electricity that does not meet the requirements of the renewables portfolio standard by directly owning or purchasing electricity generated from eligible renewable energy resources, to purchase renewable energy credits for a quantity of electricity produced from eligible renewable energy resources, that is sufficient to make up the shortfall. The bill would require the CPUC to establish rules authorizing electrical corporations to meet the renewables portfolio standard requirements using renewable energy credits. The bill would require the rules to prohibit an electrical corporation from selling renewable energy credits associated with eligible renewable energy resources included in the corporation's baseline quantity on January 1, 2004. The bill would require the Energy Commission to certify, and would specify criteria for, the eligibility of renewable energy credits associated with electricity delivered to a local publicly owned electric utility by an eligible renewable energy resource, for purposes of compliance with the renewables portfolio standard by a retail seller. The bill would make other technical and conforming changes.

(4) Under existing law, the governing board of a local publicly owned electric utility is responsible for implementing and enforcing a renewables portfolio standard that recognizes the intent of the Legislature to encourage renewable energy resources, while taking into consideration the effect of the standard on rates, reliability, and financial resources and the goal of environmental improvement. Existing law requires the governing board of a local publicly owned electric utility to annually report certain information relative to renewable energy resources to its customers.

This bill would additionally require that the governing board of a local publicly owned electric utility annually report the utility's status in implementing a renewables portfolio standard and progress toward attaining the standard to its customers and to report to the Energy Commission the information that the governing board is required to annually report to their customers. These additional reporting requirements would thereby impose a state-mandated local program. The bill would require the Energy Commission to report to the Governor and Legislature no later than January 1, 2007, with recommendations for how to incentivize each local publicly owned electric utility to implement and enforce a renewables portfolio standard program consistent with the renewables portfolio standard program requirements applicable to a retail seller of electricity.

(5) Under the Public Utilities Act, the CPUC requires electrical corporations to identify a separate rate component to fund programs that enhance system reliability and provide in-state benefits. This rate component is a nonbypassable element of local distribution and collected on the basis of usage. The funds are collected to support cost-effective energy efficiency and conservation activities, public interest research and development not adequately provided by competitive and regulated markets, and renewable energy resources (renewable energy public goods charge). Under existing law, 51.5% of the money collected as part of the renewable energy public goods charge is required to be used for programs designed to foster the development of new in-state renewable electricity generation facilities, and to secure for the state the environmental, economic, and reliability benefits that operation of those facilities will provide. Existing law also provides that any of those funds used for new in-state renewable electricity generation facilities are required to be expended in accordance with a specified report of the Energy Commission to the Legislature, subject to certain requirements, including the awarding of supplemental energy payments.

This bill would require that these funds be awarded only to a project that is selected by an electrical corporation pursuant to a competitive solicitation procedure found by the CPUC to comply with the Renewables Portfolio Standard Program and that the project participant has entered into an electricity purchase agreement resulting from that solicitation that is approved by the CPUC. The bill would authorize certain projects to receive supplemental energy payments under certain circumstances. The bill would revise existing criteria for Energy Commission

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consideration of an out-of-state electrical generation facility as an eligible renewable energy resource.

(6) Existing law requires that 17.5% of the money collected under the renewable energy public goods charge be used for a multiyear, consumer-based program to foster the development of emerging renewable technologies in distributed generation applications, and that certain funds be expended in accordance with the above-described report, subject to, among other things, the requirement that funding for emerging technologies be provided through a competitive, marketbased process.

This bill would make technical and nonsubstantive changes to these provisions.

(7) Existing law requires that 10% of the money collected under the renewable energy public goods charge be used for customer credits to customers that entered into a direct transaction on or before September 20, 2001, for purchases of electricity produced by registered in-state renewable electricity generating facilities.

This bill would delete this provision.

(8) Existing law requires the use of standard terms and conditions by all electrical corporations in contracting for eligible renewable energy resources.

This bill would require that those terms and conditions include the requirement that, no later than 6 months after the CPUC's approval of an electricity purchase agreement, the following information about the agreement be disclosed by the CPUC: party names, resource type, project location, and project capacity.

- (9) This bill would require an electrical corporation or local publicly owned electric utility to adopt certain strategies in a long-term plan or a procurement plan, as applicable, to achieve efficiency in the use of fossil fuels and to address carbon emissions, as specified.
- (10) This bill would delete certain obsolete and duplicative provisions and make technical and conforming changes.
- (11) Existing law makes a violation of the Public Utilities Act or a violation of an order of the CPUC a crime.

Because a violation of the provisions of the bill or of any CPUC order implementing these provisions would be a crime, this bill would impose a state-mandated local program by creating new crimes.

(12) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

STATUS:

01/20/2005 Subject:

INTRODUCED. Energy

Private file: Environment

AUTHOR: CA AB 177

Bogh (R)

TITLE: Solid Waste: Biomass Conversion: Transformation Assembly Natural Resources Committee LOCATION:

CODE SECTION:

An act to amend Sections 40106, 40201, 41781.2, 41783, and 41783.1 of, and to add Section 40107 to, the Public Resources Code, relating to solid waste.

1014 AirOvality Province files Energy Province

2/10/2005

SUMMARY:

Relates to the California Integrated Waste Management Act of 1989. Revises the definition of biomass conversion to mean the controlled combustion, thermal conversion, chemical conversion, or biological conversion, other than composting, of biomass waste used for producing electricity, heat, or a reconstituted product that meets the quality standards for use in the marketplace. Defines the term "biomass waste". Revises the definition of transformation to mean the incineration of mixed solid waste. DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

AB 177, as introduced, Bogh. Solid waste: biomass conversion: transformation.

(1) The existing California Integrated Waste Management Act of 1989 establishes an integrated waste management program administered by the California Integrated Waste Management Board. The act defines the term "biomass conversion" as meaning the controlled combustion of specified materials, when separated from other solid waste and used for producing electricity or heat, but excludes from that definition the controlled combustion of recyclable pulp or recyclable paper materials, or materials that contain sewage sludge, industrial sludge, medical waste, or specified hazardous or radioactive waste. The act also defines the term "transformation" as meaning incineration, pyrolysis, distillation, or biological conversion other than composting. The act provides that "transformation" dues not include composting, gasification, or biomass conversion.

This bill would revise the definition of biomass conversion to instead mean the controlled combustion, thermal conversion, chemical conversion, or biological conversion, other than composting, of biomass waste used for producing electricity, heat, or a reconstituted product that meets the quality standards for use in the marketplace. The bill would define the term "biomass waste" as meaning organic material that is source separated from the municipal solid waste stream or that is separated at a centralized facility. The bill would also revise the definition of transformation to mean the incineration of mixed solid waste, excluding composting, gasification, or biomass conversion.

(2) The act requires each city, county, city and county, and regional agency, if any, to develop a source reduction and recycling element of an integrated waste management plan containing specified components. On and after January 1, 2000, the element is required to divert 50% of the solid waste subject to the element, except as specified, through source reduction, recycling, and composting activities. Existing law allows the 50% diversion requirement to include not more than 10% through transformation, as defined, if specified conditions are met, including that the city, county, or regional agency does not include biomass conversion in its source reduction and recycling element. Existing law also provides that, for a city, county, or regional agency source reduction and recycling element submitted to the board after January 1, 1995, the 50% diversion requirement may not include more than 10% through biomass conversion, if specified conditions are met, including that the element does not include transformation.

This bill would delete the requirement that a source reduction and recycling element that includes transformation not include biomass conversion. The bill would also delete the 10% limit for waste diversion through biomass conversion for a source reduction and recycling element submitted after January 1, 1990, and would delete the requirement that the element not include transformation. The bill would also make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no. STATUS:

01/24/2005

INTRODUCED.

01/31/2005

To ASSEMBLY Committee on NATURAL RESOURCES.

Subject:

Environment, SolidWaste

CA SB 153

AUTHOR:

Chesbro (D)

COAUTHOR(S):

Kuehl (D), Perata (D), Torlakson (D), Kehoe (D), Simitian (D), Nation

(D), Bermudez (D), Nava (D), Leno (D), Koretz (D), Berg (D), Evans

(D), Klehs (D)

TITLE:

Clean Water, Clean Air, and Coastal Protection Act

LOCATION: **CODE SECTION:** **SENATE**

An act to add Chapter 1.698 (commencing with Section 5096.700) to Division 5 of the Public Resources Code, relating to financing a program for the acquisition, development, and

preservation of park, recreational, water, coastal, agricultural land, air, cultural, and historical resources in the state, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

SUMMARY:

DIGEST:

Enacts the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006. Authorizes the issuance of bonds for the purpose of financing a program for the acquisition, development, and preservation of park, recreational, water, coastal, agricultural land, air, cultural, and historical resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 153, as introduced, Chesbro. California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006.

Under existing law, programs have been established pursuant to bond acts for, among other things, the development and enhancement of state and local parks and recreational facilities.

This bill would enact the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006, which, if adopted, would authorize, for the purpose of financing a program for the acquisition, development, and preservation of park, recreational, water, coastal, agricultural land, air, cultural, and historical resources, as specified, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$3,000,000,000.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

STATUS:

02/08/2005 INTRODUCED.

Subject: AirQuality, Environment, Water

Private file: Water

CA AB 290 AUTHOR: Leslie (R)

TITLE: California Waterworks Standards

FISCAL COMMITTEE: no urgency clause: no

LOCATION: ASSEMBLY

CODE SECTION:

An act to amend Section 116550 of the Health and Safety Code, relating to public water systems.

SUMMARY:

Makes a technical, nonsubstantive change to the Calderon-Sher Safe Drinking Water Act which requires the Department of Health Services to adopt regulations covering water testing, monitoring of contaminants, frequency and method of sampling and testing, reporting the results, and other matters as may be necessary to assure the quality of domestic water supplies. **DIGEST:**

LEGISLATIVE COUNSEL'S DIGEST

AB 290, as introduced, Leslie. California waterworks standards.

Existing law, the Calderon-Sher Safe Drinking Water Act of 1996, requires the State Department of Health Services to adopt regulations covering water testing, the monitoring of contaminants, the frequency and method of sampling and testing, the reporting of results, and other matters as may be necessary to determine and assure the quality of domestic water supplies. Existing law in part defines "public water system," for this purpose, to mean a system for the provision of piped water to the public for human consumption which has 5 or more service connections.

Existing law, with certain exeptions, prohibits changes in source of supply, method of treatment, or distribution systems pursuant to a valid permit, unless the changes are in compliance with the waterworks standards adopted by the department or a permit application is made to the department.

This bill would make a technical, nonsubstantive change.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

STATUS:

02/09/2005 Subject:

INTRODUCED. Environment, Water

CA SB 31

AUTHOR: TITLE:

Florez (D) Water Fees

FISCAL COMMITTEE: URGENCY CLAUSE:

ves

LOCATION:

Senate Natural Resources and Water Committee

CODE SECTION: An act to amend Sections 1528, 1530, 1540, 1552, and 13160.1 of, to add Sections 1526 and 1527 to, to add and repeal Article 5 (commencing with Section 1565) of Chapter 8 of Part 2 of Division 2 of, and to repeal and add Section 1525 of, the Water Code, relating to water, and

declaring the urgency thereof, to take effect immediately.

SUMMARY:

Revises provisions for making water rights filings with the Water Resources Control Board. Changes the listing of applications subject to the board's schedule of fees. Denominates the fees as transaction fees. Limits the fees to processing costs. Requires adjustments of individual transaction fees. Requires the annual permit or license fees to be imposed based upon the number of acre-feet of water covered by the permit or license. DIGEST:

LEGISLATIVE COUNSEL'S DIGEST

SB 31, as introduced, Florez. Water fees.

Existing law requires the State Water Resources Control Board, by emergency regulation, to establish fees for making specified water rights filings with the board. The total amount of these fees is required to equal the amount required to recover the board's costs incurred to issue, administer, review monitor, and enforce permits, licenses, certificates, and registrations to appropriate water, water leases, and orders approving changes in point of discharge, place of use, or purpose of use of treated wastewater.

Existing law also requires the board to establish annual fees for holders of permits or licenses to appropriate water and for specified lessors of water.

This bill would substantially revise and recast the provisions for making water rights filings with the board, among other things, to change the listing of applications subject to the board's schedule of fees, to denominate the fees as transactional fees, to limit the fees to processing costs, to require adjustment of individual transactional fees that exceed or are less than average processing cost, to require prescribed fees for parties and entities participating in an evidentiary hearing.

This bill would require the annual permit or license fees to be imposed based upon the number of acre-feet of water covered by the permit or license. The bill would preclude charging duplicate annual permit or license fees to holders of multiple diversion or use licenses or permits, and would require the board to ensure comparable fees per acre foot as to all payors. The bill would place prescribed total annual revenue caps on these fees and would limit the board to expending these fees only for specified activities authorized for expenditure from the Water Rights Fund. The bill would require the board to adopt these fees by emergency regulation.

The bill would require the transactional and annual fees to be imposed upon, or allocated to, lawful users of the water. The bill would preclude imposition of these fees with respect to riparian and pre-1914 water rights. The bill would authorize the board to waive all or a portion of the transactional and annual fees if offsetting appropriations are provided from the General Fund.

The bill would require the state board to convene an advisory group or groups, comprised of specified persons, to assist the evaluation of water rights fee requirements. The bill would require the board to provide public notice on its Web site and, upon request, written notice to interested parties, of meetings of the advisory group or groups and to take other actions to facilitate the participation of the public. The bill would repeal these provisions concerning an advisory group or groups on January 1, 2007.

The bill would require the board by July 1, 2006, to perform a specified audit of the activities of the Division of Water Rights and to file a summary report of the results with the Legislature.

Existing law requires the board to establish a fee schedule for persons filing a proof of claim to surface water rights, so that the fees are sufficient on average to pay the administrative expenses of the board in processing, reviewing, and preparing a report on the claims submitted to the board.

This bill would denominate those application fees as transactional fees and would require those fees to be sufficient on average to pay the actual cost incurred by the board in processing, reviewing, and preparing that report.

Existing law authorizes the board's regulations establishing water rights fees to include provisions for administration and collection. Existing law also requires the schedules of fees to be graduated in accordance with the number of diversions or amount of water involved.

This bill would delete those provisions.

Existing law specifies that if the United States or an Indian tribe otherwise required to pay a fee or expense imposed by the board will not pay it due to sovereign immunity, the board may allocate the fee or expense to those who have contracts for the delivery of the water.

This bill would instead authorize the board to make allocations of these fees and expenses to persons or entities that directly receive a benefit from, or impose a burden on, the board due to the permit or license held by the sovereign entity. The bill would also authorize these allocations in cases where the sovereign pays a portion of the fee or expense. The bill would require these allocations to be based upon the quantity of water that the payor is entitled to use.

Existing law authorizes money in the Water Rights Fund to be used by the board, upon appropriation, for prescribed purposes.

This bill would preclude use of the fund for investigating or processing administrative complaints involving water rights or for investigations or proceedings commenced by other than the water right holder for the protection of fish, wildlife, water quality, or other natural resources.

Existing law authorizes the board to establish reasonable fees to cover costs incurred by its and by regional water quality control boards in connection with certificates required or authorized by federal law with respect to the effect of any existing or proposed facility, project, or construction work upon the quality of waters in the state. Under existing law these fees may be imposed as a single fee or as periodic or annual charges. Existing law specifies the persons upon whom the fee may be imposed.

This bill would substantially revise and recast these provisions and would, among other things, preclude periodic or annual fees. The bill would require the fees to be based upon the board's estimate of its average annual cost in conducting the actions or proceedings listed in the schedule of fees. The bill would require the fees to be developed assuming allocation to the parties and entities involved in the proceeding. The bill would require the board to impose prescribed additional fees in any proceeding involving an evidentiary hearing. The bill would require refund of the portion of fees that exceed the board's costs and would require the board to maintain records of costs determined as specified. The bill would authorize the board to waive fees to the extent moneys therefore are made available to the Division of Water Rights from the General Fund. The bill would specify that, if board staff participates in a hearing through introduction of evidence or cross-examination, proportionate costs shall be allocated to the board.

The bill would declare that it would take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

STATUS:

12/09/2004

INTRODUCED.

01/27/2005

To SENATE Committee on NATURAL RESOURCES AND WATER.

Subject:

Water

CA SB 113

AUTHOR: TITLE: Machado (D)

LOCATION:

California Bay-Delta Authority Act SENATE

CODE SECTION:

0018

An act to amend Sections 79402, 79423, and 79509.6, relating to water. **SUMMARY:**

Relates to existing law which requires the California Bay-Delta Authority to review, approve, and make recommendations regarding certain annual program plans and project expenditures submitted by the implementing agencies based on prescribed criteria. Requires the authority, in undertaking that review, approval or modification, to consider the extent to which those plans or expenditures are consistent with the "beneficiary pays principle". **DIGEST:**

LEGISLATIVE COUNSEL'S DIGEST

SB 113, as introduced, Machado. California Bay-Delta Authority Act.

Existing law, the California Bay-Delta Authority Act, establishes in the Resources Agency the California Bay-Delta Authority until January 1, 2006, unless a certain determination is made. The act requires the authority and the implementing agencies, as defined, to carry out programs, projects, and activities necessary to implement the Bay-Delta Program, defined to mean those projects, programs, commitments, and other actions that address the goals and objectives of the CALFED Bay-Delta Programmatic Record of Decision, dated August 28, 2000, or as it may be amended. The act requires the authority to review, approve, and make recommendations regarding certain annual program plans and project expenditures submitted by the implementing agencies based on prescribed criteria.

This bill would require the authority, in undertaking that review, approval, or modification, to consider the extent to which those plans or expenditures are consistent with the "beneficiary pays principle," as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no. **STATUS**:

31A103.

01/24/2005

INTRODUCED.

Subject:

Environment, Water

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